

## UNLOCKING THE YOUTH MARKET: KEY DRIVER TO THE FINANCIAL FUTURE OF TANZANIA



**25%**

make up the  
adult population

**75%**

are  
financially  
excluded

They are considered a difficult market to serve in terms of financial service provision, as many do not have sufficient ID to fulfil Know-Your-Customer requirements, presumably low transaction volumes due to their low levels of economic engagement and as such an unclear return of investment for most providers.



On the other hand, they are a growing segment of the population who can be nurtured, financially educated and cross-sold targeted products to make them into profitable lifetime customers. In addition, as early adopters, they have the potential to capitalise on new technology.

### YOUTH

are defined as 16-24 year olds



by FSDT, considering  
economic dependency  
and active workforce  
engagement

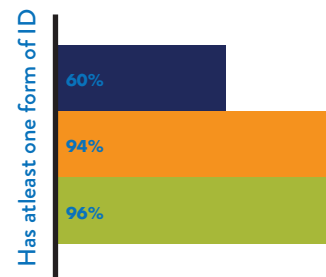


### Who is excluded?

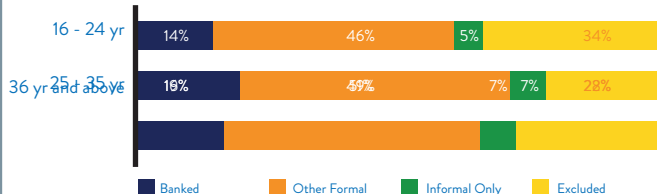
- 79% RURAL
- 76% FROM LOWEST TWO QUINTILES
- 55% FEMALE
- 47% FARMERS AND FISHERS
- 32% YOUTH (16-24 YEARS)
- 24% DEPENDENTS

### Do they have any form of ID?

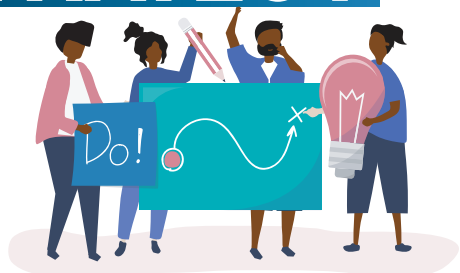
- 16- 24 yr olds
- 25-35 yr olds
- 36 yrs old and above



### Level of uptake of financial products



# YOUTH STRATEGY



FSDT commits to engaging with key private and public financial inclusion stakeholders to catalyse effective, creative and impactful initiatives to promote youth empowerment, capacity building and skills development.

Furthermore, FSDT has led initiatives to support the acquisition of young customers to diversify the portfolio and customer base of financial service providers and reduce risk and increase growth.

## Aspiration

Deepen market segment for future economic growth

## Vision

Youth derive value from regular use of financial services which are delivered with dignity and fairness

## Goal

Reduction of uptake gap and increase usage of financial services by youth to derive value from the financial services they use

## Mission/Purpose

A financial sector in which stakeholders understand the needs and behaviours of youth and take appropriate corrective actions

The Tanzanian government has recognised the importance of youth and developed the Tanzania National Youth Policy to ensure youth interests and needs are brought to the attention of stakeholders and appropriate strategies are delivered. Its focus on human capital development includes agricultural development and the Youth Development Fund to enhance low cost credit to youth to maximise their ability to participate in economic activities and key driver towards an industrial-led economy and sustainable growth to promote domestic and international markets for their products.

In addition, a National Youth Development Policy was developed in 2007 to prepare young people to play their vital role in the socio-economic development of the nation as leaders, decision-makers, entrepreneurs, parents and guardians.

Moreover, the youth has been identified in the Five Year Development Plan II, as well as the Zanzibar Strategy for Growth and Reduction of Poverty III (MKUZA III), as a generation of potential. If their potential is not realised, this could lead to negative national economic impact, but if strengthened, it could be the key driver towards an industrial-led economy and sustainable growth.



37% of youth are mainly dependent



57% use mobile money and of youth savers, 44% use mobile wallets to keep their savings



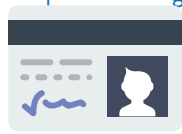
Most financial service providers target youth through guardian held accounts



25% hope to pursue careers which require tertiary levels of education



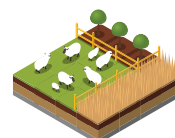
90% of urban youth have access to a mobile phone and 52% have access to internet



6 in 10 hold some form of ID



54% own a mobile phone, out of which 24% have a smartphone



11% of youth claiming to personally own land and 2 in 10 of them actually having proof of ownership